

Viewpoint

Donor Fatigue – Just What Are Donors So Tired Of These Days?*

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Every fund-raising professional is confronted over cocktails or canapes by a donor unhappy with the volume of mail received, or the number of telephone appeals that seem to come just as dinner hits the table. Fund raisers and media scribes might be led to believe that donors are getting tired of giving.

Is it true? Perhaps more important, if it is repeated often enough, does it become true? Should prescient fund raisers start looking for a new line of work? Should donor-funded organizations start downsizing? Or should Canadians look again at the possibility of heating their homes with “junk” mail as the competitive fund-raising field expands further?

I believe that donors are *not* getting tired of giving. What they are tiring of, in many cases, is the blizzard of untargeted, insensitive, occasionally unethical fund-raising activity that is out there these days. Like any blizzard, this one leaves a lot of people feeling cold and lost.

This article will offer suggestions to fund raisers and targets alike about what can be done to bring donors in out of the cold.

It is rough out there

First, however, it is fair to acknowledge that fund raising is a tough job, made tougher now by a number of factors.

Competition is one. Look at the numbers. The growth of registered charities is staggering. There are now 70,000 registered charities in Canada, and that number is growing at the rate of over four a day—more than 1,500 new ones each year! How many more unregistered, less formal, but very persistent groups are also raising money? Lots.

The second is a *tougher economy*. There really are fewer uncommitted dollars to go around these days and most donations are made with discretionary income.

*The views expressed in this article are those of the author and not necessarily those of the Canadian Red Cross Society.

The third relates to the second. *Most of us don't plan our gifts.* We usually make them spontaneously and in relatively small amounts as causes and needs parade past our doors or through our mail boxes.¹ They are made with the cash in our pockets, or within a weekly amount we set aside for enjoyment.

Unbudgeted money isn't as easily parted with these days, whether for kids' treats, a car wash or an unanticipated appeal for a donation. *Our lazy giving habits*, when combined with the tough economy, *put most gifts in competition with life's other little pleasures.* The only consolation for the voluntary sector in this is that companies selling those other treats are feeling the pinch too.

How to respond?

Managers and fund raisers in the voluntary sector needn't despair. Those responsible for fund raising must, however, reflect carefully on how they spend their resources. And they have to look again at what I refer to as "the quality of their ask".

Focus is vital. Many of us have heard the stories about the mailbox full of mail, the parade of young people at the door selling everything from grapefruit to the new "go for the green" toilet tissue and other products. I can't pick up my phone between six and seven at night without hearing a tired spiel for underprivileged kids, underfed puppy dogs or underendowed university chairs.

You and I are accosted when we enter the liquor store, or make our way through the local mall. Even a visit to a friend's house for coffee ends up with the opportunity to sponsor at least one child, maybe more, in a swim, walk, bowl, bicycle or tree-plant-athon.

Does it all add up?

The unfortunate truth is that this nickel-and-dime approach wears us all down, before it adds up to much. Even more unfortunate, it leaves many with the mistaken notion that they have met their philanthropic obligations for the year.

This is just not true. The ground-breaking survey work done by The Canadian Centre for Philanthropy in 1988 underlines this point.² The CCP found that Canadians consistently rate themselves as more generous than they really are. If we believe we are generous to a fault (and many do), voluntary agencies are hurting themselves with their persistent focus on the low-quality "ask".

What I see happening is fund-raising organizations wearing donors out with the wrong kind of "ask". I believe that people tire of reaching for their wallets or pocketbooks long before they tire of giving. Too many small gifts and not enough focus on quality commitments are hurting the entire voluntary sector.

Think about it

When was the last time you were asked for a \$500, \$1000 or \$2500 pledge? If it wasn't in the last few weeks I rest my case, because in that same two weeks if you're like me, you got 14 letters exhorting you to give \$15, \$25 or whatever you could "afford". You also said "no" at the door twice, ignored the five dinner-time calls (and probably missed out on great carpet cleaning as well as the circus tickets), and will get asked back for coffee at the Smiths, no doubt just after the swim-a-thon pledge you made comes due.

So who is "fatigued"?

It should come as no surprise that it is not just donors who end up fatigued by all this. Ask a fund raiser how things are at work these days. The first word he or she will utter is "busy". Not "productive", the word I most like to hear, just "busy".

That is a matter of concern to all of us who worry about the health of the voluntary sector. A busy fund raiser is not necessarily a productive fund raiser. It takes a lot more two- and five-dollar gifts than it does \$1000 gifts to reach a \$10,000 goal. (And you will rarely reach a \$100,000 target without at least a few gifts in the \$10,000 range.) Small gifts can keep fund raisers far too busy to raise real money.

The ethics of donor and fund-raiser "fatigue"

Fund-raising programs skewed to generating small gifts can present several ethical dilemmas too:

1. Costs

A fund-raising program mired in small-gift activity will almost inevitably have higher costs per dollar raised than a balanced program that nurtures and cultivates some of its supporters for larger gifts—the kind of gifts Gordon Cressy of the University of Toronto has referred to as "quality gifts for a quality organization".

Costs will be higher for a couple of reasons. Small gifts ask no commitment from people—in many cases not even a name and address. (Think of coin boxes, candy and card sales, the used book sale, etc.) On the face of it, that sounds like low costs and low overhead. But the small gift, earned without real commitment, goes nowhere. It must be sought anew every time, building on nothing, encouraging neither understanding nor enhanced support for the cause.

Small-gift programs are almost invariably labour intensive too. They need large numbers of workers, who increasingly expect tangible rewards for what might once have been truly voluntary efforts. Most product sales campaigns succeed in large part due to rich prize programs for the kids. The same is

increasingly true for pledge seekers in “thons”. And those earnest students calling on behalf of your alma mater? Some are now paid for their work. Greenpeace’s success at the door is yet another example.

Many organizations are moving away from this kind of fund raising, lamenting the problem of finding volunteer canvassers. Greenpeace, on the other hand, has moved aggressively into door-to-door campaigns. Their success owes much to the high level of knowledge and persuasive skill of their canvassers, but it also owes something to the commissions canvassers are paid for the donations they solicit.³

2. Multiple Mailings and List Exchanges

If the organization depends on direct mail, it is probably trying to improve net results with multiple mailings and list exchanges. Both are considered essential by most experts, and both are accused of contributing to donor fatigue.

Multiple mailings have become the rule, not the exception, for most charities seriously working the mail. With a good case, periodic special needs and a good direct mail writer, charities find that the more often they mail, the more money they raise. Nevertheless, the once-a-year donor can find this approach tiresome in the extreme.

List exchange, the second element, is not as simple as it looks. The angst that most volunteer boards face when confronted by the request for permission to begin list exchange tells me that many see this as an ethical issue rather than simply a matter of maintaining a competitive edge. Direct mail specialists are quick to argue that such concerns can be effectively dealt with in several ways, but can they?

Perhaps the major issue is concern about a donor’s right to privacy. Many reject list exchange because they feel that the relationship a donor has with their cause is a very private matter. Any sharing of that link, even simply the fact of their support is, they say, a significant breach of the donor/cause relationship.

Of course, those in favour of exchanges will respond that this relationship can be protected by notifying the donors of the intent to trade, and offering them the opportunity to say no.

How easy should the agency make it for donors to avoid exchange? The experience of Amnesty International (AI) suggests that if it is made too easy, agencies can expect large numbers to opt out.⁴ This should probably come as no surprise given the findings of a July 1992 Gallup Poll which found that 79 per cent of Canadians think government should be regulating the sharing of customer lists.⁵

Notwithstanding these concerns, defenders of list exchange will cite the enormous opportunity cost of relying only on rented and scrounged lists. It is

enormous. Exchanged lists are typically two to four times as productive as rented lists. List exchange, for many, is an ethical imperative because it addresses the more fundamental concern about reduction of fund-raising costs.

One colleague said to me, “You wouldn’t decide to launch a major Bingo program and try to make it work in a non-smoking hall. Why would you launch a direct mail acquisition program and expect it to do well without list exchange?” More about Bingo below, but suffice it to say that list exchange is an issue fraught with ethical concerns.

3. *Intrusive Fund Raising*

We all get phone calls. Would we buy the circus tickets, the coupon books, or renew our alumni support for the university’s capital campaign? Board members who have difficulty coming to terms with the extra mail donors might receive through list exchange, find the request to approve a telephone fund-raising campaign usually strikes terror in their hearts.

Nevertheless, this is one of the fastest growing areas of fund-raising activity these days.

Agencies which work the phones often like it—the results can be good. And what, after all, is so sacred about the dinner hour that a charity should turn its back on the extra revenue, the personal contact with supporters, the higher renewal rates, etc. that result from well-planned, well-trained use of the phone?⁶

There are other intrusive techniques. Service clubs, fire departments and others still set up friendly roadblocks in many smaller towns to shake down a dollar or two from passing motorists. The “pushy” ticket seller who won’t leave your desk until you’ve bought into some raffle or “lucky draw” is another example. These folks come on strong because it works. And agencies that build activity like this into their official fund-raising plans usually do so for the same reason.

Where should a charity draw the line, and how do these techniques fit into the larger fund-raising plan? All too often they *are* the plan, and donor fatigue sets in.

4. *Gambling*

So what about Bingo? There are still people very uncomfortable with gambling, even when the proceeds serve charitable purposes. And there are limits beyond which many charities will not go in this area.

Most will undertake raffles. And most now seem to have more difficulty with the practical considerations surrounding a Bingo (how many times will the organization’s most dedicated volunteers stand around in a smoke-filled room no matter how good the returns?), than they do with the ethics. Yet Bingo is

still viewed by many as a tax on the poor, because of the background of most Bingo players.

Fewer charities are prepared to go with high stakes lotteries, although again, practical concerns about the risk of losses may loom as large as the ethical issues.⁷

Resistance to gaming seems to be slipping though, perhaps in part due to the legitimacy that gambling has been given by cash-starved provincial governments. The incredible array of government-run lotteries, the recently introduced slot machines in New Brunswick, the casinos in Alberta, Manitoba and (soon) in Ontario, all make one wonder whether giving and getting are being thoroughly muddled in Canadians' minds.

All too typically, however, fund-raising organizations that get involved in these kinds of activities are netting just a few dollars per giver/buyer/player. And these are one-time dollars: the charity itself must go back to the wheel of fortune every time. Most do this kind of fund raising to the exclusion of work on larger gifts, and so contribute to two problems: high fund-raising costs and donor fatigue. (Remember I say fatigue with being asked, not fatigue with giving.)

What can donors do?

It is time many donors took a hard look at their giving patterns. If more donors regularly said "no" to the persistent requests for small gifts, and then, every few months, said a heartfelt "yes" to a major appeal for support, we would have happier donors, more productive fund-raising programs and a larger proportion of fund-raising revenue spent where we all want it spent: on service delivery.

Donors could also look again at their motivation for giving. If the dream of a lottery prize, or the reality of an elaborate dinner is the real motivation, perhaps it is time to recognize those "gifts" for what they really are.

Finally, if the agencies we want to support aren't offering us a real opportunity to make a difference, perhaps we should prompt them to do so.

Winston Churchill once said: "We make a living by what we get; we make a life by what we give". How much satisfaction is there in doling out small amounts to diverse causes simply because they are there, and it is easier to say yes than no? Contrast that with the satisfaction of matching your community interest, or your vision of a better world, with a program which can make a real difference, and then pledging serious financial support. The latter can feel very good indeed.

My advice to donors? Just say "no" again and again. Then, very deliberately choose the causes, the organizations, and the appeals you want to champion,

and respond to those with a resounding “yes!” You’ll feel good, and do good as well.

The organization solution?

Charities have no evidence that donors are tiring of being properly nurtured, cultivated and asked. In some cases (the rapid growth of the United Way’s “Leaders of the Way” program is an example), people seem delighted to be approached for a serious gift for an important cause.

However, there is growing evidence, albeit largely anecdotal, that donors and fund raisers alike are tiring of the endless grind of giving and getting the small gift. The most important ethical issue here is fund-raising costs. Small-gift programs are often costly. Quality gifts require a different approach, but are usually far more efficiently raised.

Charities must challenge their costs regularly. How can they be reduced? What is the most expensive fund-raising activity? Should it be stopped? Is enough being done to nurture quality gifts? If not, why?

Then, with costs in mind, charities should review the ethical and practical concerns surrounding multiple mailings, list exchange, intrusive techniques, the array of gaming possibilities, etc. Those who make the decisions should know how much income they may earn or forego, and should be pushed to ensure that their choice is consistent with the mission and *modus operandi* of the organization.

Every organization must draw its line in the sand on the four matters flagged above. There is no right or wrong answer that applies to all. Charitable boards must also be careful not to adopt the “We would rather be pure, but poor” position too quickly. It can be quite unfair to the cause. Board members may enjoy the purity; those they endeavour to serve rarely enjoy the poverty. Nevertheless, agencies *can* “just say no” when a fund-raising opportunity presents itself and is truly incompatible with what the agency is trying to achieve. Agencies *should* say no when the costs are too high.⁸ There *are* choices to be made, many of them difficult, many of them value laden.

Agencies should also look long and hard at the direction their fund-raising programs are taking. Where is the major gift activity? The nurturing of key supporters? The planned giving and sustaining support work? Is enough effort being made to ensure that serious donor investments are being secured? If the answer to this last question is no, and in far too many organizations that is the only honest answer, it is time to rethink the fund-raising program.

If we donors and fund raisers are both fatigued these days, we may have only ourselves to blame.

FOOTNOTES

1. The strongest evidence of this is in The Canadian Centre for Philanthropy's 1988 study of charitable giving in Canada, "Canada Gives". Their survey concluded that only 13 per cent of Canadians budget or plan for charitable gifts; not the only problem charities face, but a major one!
2. Reference again is to "Canada Gives—Trends and Attitudes Towards Charitable Giving and Voluntarism", The Canadian Centre for Philanthropy, Toronto, 1988.
3. Fund-raising commissions themselves are, of course, a subject of considerable ethical concern among professional fund raisers.
4. It is interesting that Amnesty International, one of the country's great direct mail success stories, has recently decided to relaunch its list exchange program. After many years of exchange, and many reminders to its supporters that they can opt out of trades, a very substantial number have done just that—written to indicate that they do not want their names traded.

Amnesty has done the math, seen the enormous opportunity cost in not being able to trade a large proportion of its list, and has now decided that donors should tell them again that they *really* want to opt out before they are to be believed. As part of this initiative Amnesty is running a major donor education campaign to ensure that its loyal supporters realize how much exchanges contribute to its ability to serve prisoners of conscience.

5. Reported in a circular letter to members of the Canadian Direct Marketing Association dated September, 1992.
6. The answer to this rhetorical question may come from the Federal Minister of Communications who is reported to have called for positive consent from consumers before any telemarketing campaigns are undertaken. (Source: The Canadian Direct Marketing Association)
7. There have been numerous cases of charities losing money on house and car raffles when ticket sales failed to meet expectations. One wonders how many more such losses have been averted by a board's decision not to proceed because lotteries are a type of gaming.
8. Charities should also keep in mind that the easiest funds to raise are those they do not spend. With fund-raising costs what they are these days, \$1.00 saved can be \$1.25 earned! By saying "no" to dubious or marginal fund-raising schemes, charities can save some energy for the challenge of maximizing the value of the dollars they have.